

November 25, 2013

**ACCEPTED/FILED** *Hand Delivery*

NOV 25 2013

Office of the Secretary  
Federal Communications Commission  
Attention: Disability Rights Office, Room 3-C438  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Federal Communications Commission  
Office of the Secretary

*0520*  
**Re: Case Identifier CGB-CC-~~052~~ Response to Commission's Request to Supplement Petition for Closed Captioning Exemption**

**Riverbend Church  
4214 N. Capital of Texas HWY  
Austin, TX 78746**

To Whom It May Concern:

Per the request of the Federal Communications Commission's Disability Rights Office, we hereby submit one original and two copies of a Response to Commission's Request to Supplement Petition for Closed Captioning Exemption, Case Identifier CGB-CC-052.

As always, should you have any questions or require any additional information, please do not hesitate to contact me at your very earliest convenience.

Respectfully submitted,

  
David C. Courreges  
For the Firm

Enclosures

ACCEPTED/FILED

NOV 25 2013

Before the  
Federal Communications Commission  
Washington, D.C. 20554

Federal Communications Commission  
Office of the Secretary

In the Matter of

RIVERBEND CHURCH

Petition for Exemption from Closed  
Captioning Requirements Pursuant to  
Section 79.1(f) of Commissions Rules

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Case Identifier CGB-CC-0520

**Response to Commission's Request to  
Supplement Petition for Closed Captioning Exemption**

Riverbend Church ("Riverbend" or "Church"), by its attorneys and pursuant to 79.1(f) of the Federal Communications Commission's Rules, hereby respectfully submits its Response to Commission's Request to Supplement Petition for Closed Captioning Exemption. In its original Petition, Riverbend requested a waiver of the Commission's rules and policies requiring closed captioning for Riverbend's weekly telecast of its church services ("Television Ministry"). The request is based on the economically burdensome nature of the requirement, by automatic exemption under Section 79.1(d)(8) of the Commission's Rules and a Constitutional guarantee of religious freedom and speech. **Riverbend hereby incorporates all previous filings and arguments in regard to the above-captioned matter, and reserves the right to further supplement this and all previous filings** as additional information comes to light necessary to fully satisfy the requests of the Commission, and/or protect the rights and interests of Riverbend Church and its membership.

With respect thereto, the following is stated:

As stated in previous filings and demonstrated by the attached exhibits, the additional cost of closed captioning would affect a significant hardship to the Riverbend Congregation and the greater Austin Community. Outcomes would include the decrease in the quality of programing, elimination of other church-sponsored activities and services, the elimination of staff and benefits to retained staff, and/or the cancelation of the Television Ministry. For these reasons, the reasons set forth below, and if appropriate, **Riverbend Church hereby maintains its request to be granted an exemption from the closed captioning requirement pursuant to Section 79.1(f).**

**NAME OF THE PROGRAMMING FOR WHICH AN EXEMPTION IS REQUESTED**

"The Riverbend Church Television Ministry" consists of a 30 minute program that airs every Sunday morning at 7:30 am on KTBC Fox Austin. The program is estimated to reach on average between 5,800 and 7,000 viewers per episode over the course of its 26 years. Each episode is produced over the course of one week, and airs only once in concert with the weekly church schedule.



## **THE NATURE AND COST OF THE CLOSED CAPTIONS FOR THE PROGRAMMING**

As evidenced by the information compiled and attached hereto as "Exhibit A," in an effort to comply with the FCC's requirement to provide closed captioning services, and its request for timely supplemental information, representatives of Riverbend contacted several national captioning and transcription services to inquire about the cost of outsourcing closed caption production. Costs of closed captioning remain high, with the lowest being \$8,580 per year plus transcription costs for a service, costing upwards of \$18,000 total per year, and \$5750 per year plus additional paid staff or overtime pay for software. As evidenced by the Riverbend communications department budgets for 2012 and 2013, as provided in "Exhibit B," Riverbend has reduced its television staff by 33% within less than a year and has cut its non-employee expenses as well. The average cost of closed captioning (\$18,000 per year), would amount to 87% of the Television Ministry's current employee expense, and 22% of the entire Television Ministry budget.

In light of the above, and in further compliance with the requirements of Section 79.1(f), Riverbend representatives again sought the assistance of Riverbend's video programming distributor, KTBC FOX 7. Unfortunately, FOX 7 is unable to provide closed captioning services at a free or reduced cost.

## **THE IMPACT OF CAPTIONING ON YOUR PROGRAMMING ACTIVITIES**

In addition to the burden of cost described above, Riverbend is faced with a burden of time. To appropriately transcribe one half-hour television program a minimum of an additional two to three hours of production time would be required if done in-house. If provided by a service, the entire production of the program must be completed up to 48 hours earlier to ensure on-time delivery for the scheduled Sunday morning time slot. The additional time required for the production processes would greatly infringe upon already narrow deadlines that are beyond the control of Riverbend to change, resulting in a program that is untimely.

## **FINANCIAL RESOURCES**

As referenced above, Riverbend does solicit donations specifically for the Television Ministry. Member and community gifts to both the Riverbend general fund and Television Ministry were significantly under target goals in 2012, necessitating the budgetary cuts previously discussed. The overall budget for 2012 reflects a loss \$550,000. Attached hereto as "Exhibit C" please find a copy of Riverbend's most recent certified and verified financials.

Considering the losses and budget reductions in 2012, contributions to the Television Ministry for 2013 are trending below that of the previous year. For FY2012, Television Ministry-specific donations reached \$69,307, with an average of \$5,775.58 a month, and more than \$10,000 below the actual cost of production for the year. As of October 2013, contributions total \$37,428, averaging \$3,742.80 a month. If the current trend holds, the Riverbend Television Ministry will receive a 35% reduction in total contributions for FY 2013, \$24,000 less than in 2013. Riverbend simply cannot afford any increases in its expenditures, especially one that would increase its budget by 22%. Such a requirement would not only be economically burdensome, but would result in the cancelation of the Television Ministry program.

## TYPE OF OPERATIONS

Riverbend is first and foremost a church that operates at a physical location, and provides traditional services for its members, community outreach, and engages in other activities commonly associated with a community religious organization. The Television Ministry is one aspect of the services provided. With that, television is one of the most powerful and effective communication methods available today. The Church and its congregation depends on the weekly telecast to maintain and increase membership, and provide ministry for those who are not able to leave their homes to attend church. The Television Ministry is often the only way shut-in members can worship, or enjoy a semblance of normalcy they once enjoyed. The elimination of the Ministry would have a significant detrimental impact on the members of Riverbend, and the entire Austin Community.

## OTHER FACTORS

Riverbend reinstates its willingness to actively solicit volunteers from its membership to agree to interpret the program into sign language on-air, in an attempt to find a reasonable substitute for its closed captioning requirement. This is a historically common solution to the economic barriers that close captioning production would otherwise impose.

## SUMMARY

As demonstrated by the supplemental information provided herein, as well as current filings with the Commission, the Federal Communications Commission should grant Riverbend Church a Section 789.1(f) exemption, as the addition of closed captioning costs to Riverbend budget would be economically burdensome, and most likely result in the unintended consequence of cancellation of the Television Ministry. The requirement would necessitate the addition of additional paid staff at a time when the Church has already seen a reduction of staff in its broadcast department, significantly increase production costs after a reduction has been necessitated in previous years, and would significantly impact the day to day operations of the Church due to the resulting cuts from other areas of the Church budget.

Respectfully Submitted,

Riverbend Church

By: 

David C. Courreges  
Attorney

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**EXHIBIT A**

**CPC – Computer Prompting & Captioning Company**  
**Rockville, MD 20852**  
**\$12,600 per year plus transcription**



### Software vs. Service

CPC makes closed captioning software that lets you do all of your closed captioning in-house, but we also can do your closed captioning as a service. There is also a hybrid option which can give you the best of both worlds.

#### Software

Having closed captioning software in-house gives you the most flexibility and saves time and money in the long run, especially if you need closed captions frequently. It is also vital if you produce videos with a very fast turnaround (1 day or less), or if you frequently edit or convert videos that were already closed captioned. **The software pays for itself after as little as 10 hours of closed captioning or subtitling.** [Learn about Software.](#)

#### Service

If your need for closed captioning or subtitling is infrequent, or if you simply do not have the time or the resources to do your own closed captioning, then our service department can do all of the work for you. Since we use the industry's most advanced software, we can closed caption your video with a quick turnaround and the lowest prices, while supporting the latest e-Captioning workflows. [Learn about Services.](#)

#### Hybrid Option

The hybrid option is very cost effective for organizations that need to do a lot of closed captioning, especially with large digital media files, but don't have the resources to do the labor-intensive parts of the process.

The hybrid approach is to use CPC's closed captioning service to transcribe and time the caption files for you. Then, use CPC's encoder-only captioning software in your facility to embed and convert the captions into all of your required deliverables. You still get the convenience of using a captioning service for the labor-intensive part of the captioning process, but you don't have to worry about transferring large files or shipping tapes to CPC.

By using CPC's encoder-only software, not only can you embed and convert caption files for any media formats you need to deliver, but you can also make last minute text and timing fixes without incurring extra delays or fees.

### Cost Analysis

#### Example case 1:

Closed captioning 24 episodes of a 25 minute program delivered on HDCAM tape.

	Captioning Fees:	Tape stock:	Shipping:	1 Episode cost:	24 Episode Cost:
Typical caption service (mailing tapes)	\$250.00	\$70.00	\$20.00	\$340.00	\$8160.00
CPC Service (e-Captioning)	\$225.00	n/a	n/a	\$225.00	\$5400.00
CPC Software (CPC-Lite)			n/a		Pays for itself

#### Example case 2:

Captioning 10 episodes of a 1-hour podcast for the web:

	Captioning Fees:	Tape stock:	Shipping:	1 Episode cost:	Total Cost:
CPC Service (e-Captioning)	\$435.00	n/a	n/a	\$435.00	\$4350.00
CPC Software (WebPlus)			n/a		Pays for itself



## MacCaption Software

\$5,750 - \$10,950 per year plus additional staff



### MacCaption | CaptionMaker, Pro Edition - \$5,750

Includes all the features of the Desktop Edition.

Pro adds support for embedding CEA-708/608 captions into (and extracting captions from) broadcast TV formats like MPEG-2, H.264, MXF, QuickTime ProRes, and Avid AAF. You can also import many professional caption interchange formats such as CAP, TDS, ULT, PAC, and EBU-STL for editing and conversion to CEA-708 captions. Pro also supports subtitle overlays, professional DVD & Blu-ray subtitling formats, and live captioning. [Learn more](#)

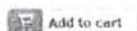
Price includes 1st year of Premium Support.

#### Mac OS X Version

- ☐ MacCaption Pro (Mac) - \$5,750  
(Includes 1 Year Premium Support)

#### Windows Version

- ☐ CaptionMaker Pro (Windows) - \$5,750  
(Includes 1 Year Premium Support)



### MacCaption | CaptionMaker, Enterprise Edition - \$10,950

Includes all the features of the Pro Edition.

Enterprise is aimed at users who need to automate closed captioning conversion and editing tasks. In addition to all the features of the Pro version, Enterprise supports batch conversion, external scripting & control (Command Line Interface), Assemble Captions (conform to EDL), and Time Tolerant (non-linear retiming). [Learn more](#)

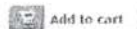
Price includes 1st year of Premium Support.

#### Mac OS X Version

- ☐ MacCaption Enterprise (Mac) - \$10,950  
(Includes 1 Year Premium Support)

#### Windows Version

- ☐ CaptionMaker Enterprise (Windows) - \$10,950  
(Includes 1 Year Premium Support)



## Additional Service Quotes:

### Dynamic Captioning LLC

Captioning - \$8,580 per year plus transcription costs

### Caption Labs

Captioning - \$8,684 per year plus transcription costs

**EXHIBIT B**



TV Ministry cost 2012 Communications2012

**Riverbend Church  
Communications Department  
2012**

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
<b>Income</b>													
<b>Donations:</b>													
TV Ministry		325	8,285	19,346	2,635	1,865	1,150	1,715	4,375	850	1,110	27,650	69,307
Total Donations	-	325	8,285	19,346	2,635	1,865	1,150	1,715	4,375	850	1,110	27,650	69,307
<b>Expenses</b>													
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
<b>Contract Labor</b>													
Lorien/G Garrison TV Sound	800	800	800	1,000	800								4,200.00
K Heard Video Shading	450	600	450	300	300	450	600	450	450	450	300	600	5,400.00
C Walsh Video Engineer											150		150.00
E Garcia Camera Operator	150				150		150	150					600.00
M Winnerstrm Camera Operator								100					100.00
J Thompson Camera Operator												150	150.00
B McNeil Camera Operator	75	150	150	150	300	450	150	150	375	225	150	150	2,475.00
A Veltri Camera Operator				75			100			75		150	400.00
M Steinert Camera Op	600	450	600	750	450	450	600	450	750	600	600	750	7,050.00
Total Contract Labor expenses	2,075	2,000	2,000	2,275	2,000	1,350	1,600	1,300	1,575	1,350	1,200	1,800	20,525
<b>TV Ministry</b>													
Airtime	6,694	5,355	5,355	6,694	5,355	5,355	6,694	6,300	5,749	5,355	5,355	6,694	70,953.75
Pact													
Tapes/Labels				187									186.87
Delivery	215		305		188		110			110		110	1,038.96
Blue ray burner									113				112.97
Camera rental								378			273		651.01
HD Camra cable									706				705.60
camera headsets									518				518.00
Deck rental								300					300.00
cable access			30			20				120	30		200.00
Bluray media											73		72.69
Studio lights													
Omega install						1,160							1,160.00
Time lapse camera				378									378.00
Equipmt parts/repairs:Camera						3,700							3,700.00
Total TV Ministry expenses	6,909	5,355	5,690	7,259	5,543	10,235	6,804	6,978	7,085	5,585	5,731	6,804	79,977.85

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**Riverbend Church  
Communications Department  
2013**

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Total
<b>Income</b>											
<b>Donations:</b>											
TV Ministry	16,310	2,000	5,495	1,975	3,105	1,803	1,300	1,430	2,725	1,285	37,428
Total Donations	16,310	2,000	5,495	1,975	3,105	1,803	1,300	1,430	2,725	1,285	37,428

**Expenses**

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Total	TV total
<b>Contract Labor</b>												
K Heard Video Shading	600	450	600	300	600	450	600	450	450	600	5,100	
B McNeil Camera Operator	75	300	150	300		150	150	150	300		1,575	
B Ellison Camera Operator									75		75	
Video 1 Camera Operator									150		150	
H Cole Camera Operator			50	75	75	75	75		75	75	500	
M Steinert Camera Op	600	450	750	600	450	750	600	450	600	600	5,850	\$ 13,250
Total Contract Labor expenses	1,275.00	1,200.00	1,550.00	1,275.00	1,125.00	1,425.00	1,425.00	1,050.00	1,650.00	1,275	13,250.00	
<b>TV Ministry</b>												
Airtime	5,355	5,355	6,694	5,355	5,355	6,694	5,385	5,355	6,694	5,355	57,596	
Pact											-	
Tapes/Labels		30			207						237	
Austin TV Access										120	120	
Delivery		111								207	319	
Switch repair								520	450		970	
Blue ray burner											-	
Camera rental (refund)	(10)										(10)	
HD Camra cable											-	
camera headsets											-	
Deck rental											-	
cable access											-	
Bluray media				37							37	
Studio lights											-	
Omega install											-	
Time lapse camera											-	
Equipmt parts/repairs: Camera											-	
Total TV Ministry expenses	5,345	5,496	6,694	5,392	5,562	6,694	5,385	5,875	7,144	5,682	59,269	

**EXHIBIT C**

**RIVERBEND CHURCH**  
and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2012 AND 2011



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## **INDEPENDENT AUDITOR'S REPORT**

To the Church Council and Members of  
Riverbend Church  
Austin, Texas

We have audited the accompanying consolidated financial statements of Riverbend Church and its Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Riverbend Church and Subsidiary as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Gindler, Chappell, Morrison & Co. P.C.*  
Austin, Texas  
May 21, 2013

# RIVERBEND CHURCH

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

	2012	2011
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 415,122	\$ 508,281
Investments	2,682	-
Receivables:		
Pledges due within one year (note 4)	1,751,533	1,184,511
Contributions receivable	-	20,780
Affiliated organizations	24,202	9,918
Program and other cost reimbursements	2,948	960
Other receivables	1,886	1,648
Prepaid insurance and expenses	53,948	46,425
Inventory - Bookstore	35,447	58,249
Total current assets	<u>2,287,768</u>	<u>1,830,772</u>
Cash and investments restricted as to use (note 12)	<u>755,201</u>	<u>1,438,888</u>
Pledges due in future periods (note 4)	<u>63,721</u>	<u>1,571,609</u>
Fixed assets		
Land	2,040,371	2,040,371
Buildings and improvements	35,228,889	29,257,794
Furniture and equipment	2,183,797	2,125,366
Less accumulated depreciation	(18,499,995)	(17,305,770)
Net fixed assets before construction	<u>20,953,062</u>	<u>16,117,761</u>
Construction in progress	9,965	5,826,992
Net fixed assets	<u>20,963,027</u>	<u>21,944,753</u>
Other assets	<u>58,575</u>	<u>63,795</u>
<b>Total assets</b>	<u><u>\$ 24,128,292</u></u>	<u><u>\$ 26,849,817</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 89,740	\$ 183,074
Payroll taxes payable	-	15,587
Vacation leave accrued	75,040	74,998
Deposits collected	91,694	84,374
Due to affiliated organizations	3,931	3,020
Current portion of long-term debt (note 9)	173,283	163,025
Total current liabilities	<u>433,688</u>	<u>524,078</u>
Other accrued liabilities	<u>61,120</u>	<u>56,605</u>
Long-term liabilities		
Long-term debt (note 9)	10,422,902	12,289,011
Interest rate swap (note 10)	580,944	-
Total long-term liabilities	<u>11,003,846</u>	<u>12,289,011</u>
Total liabilities	<u>11,498,654</u>	<u>12,869,694</u>
Net assets		
Unrestricted net assets	10,041,784	9,875,581
Temporarily restricted net assets (note 12)	2,567,754	4,094,442
Permanently restricted net assets (note 14)	20,100	10,100
Total net assets	<u>12,629,638</u>	<u>13,980,123</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 24,128,292</u></u>	<u><u>\$ 26,849,817</u></u>

See accompanying Notes to Consolidated Financial Statements.

# RIVERBEND CHURCH

## CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2012 and 2011

	2012		
	Current Operating Funds		
	Unrestricted	Temporarily Restricted	Permanently Restricted
			Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	4,425,210	616,244	10,000
Building use and event fees	677,247	2,773	-
Sales and other revenues	15,889	-	-
Fund raising	1,073	-	-
Investment Income and other	2,048	(316)	-
Net assets released from donor imposed restrictions (note 12)	2,145,389	(2,145,389)	-
<b>Total revenues and other support</b>	<b>7,266,856</b>	<b>(1,526,688)</b>	<b>10,000</b>
<b>EXPENSES</b>			
Program services			
Worship and related programs	6,474,303	-	-
Grants to other organizations	207,611	-	-
Supporting services			
General administration	415,416	-	-
Fund raising	3,323	-	-
<b>Total expenses</b>	<b>7,100,653</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET ASSETS (deficit)</b>	<b>166,203</b>	<b>(1,526,688)</b>	<b>10,000</b>
<b>NET ASSETS</b>			
Beginning of year	9,875,581	4,094,442	10,100
<b>End of year</b>	<b>\$ 10,041,784</b>	<b>\$ 2,567,754</b>	<b>\$ 20,100</b>

See accompanying Notes to Consolidated Financial Statements.



# RIVERBEND CHURCH

## CONSOLIDATED STATEMENTS OF ACTIVITIES - continued

Years Ended December 31, 2012 and 2011

	2011			
	Current Operating Funds			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 4,531,870	\$ 703,452	\$ -	\$ 5,235,322
Building use and event fees	485,283	2,192	-	487,475
Sales and other revenues	127,058	-	-	127,058
Fund raising	1,494	752	-	2,246
Investment Income	(69)	4,033	-	3,964
Net assets released from donor imposed restrictions (note 12)	2,488,278	(2,488,278)	-	-
<b>Total revenues and other support</b>	<b>7,633,914</b>	<b>(1,777,849)</b>	<b>-</b>	<b>5,856,065</b>
<b>EXPENSES</b>				
Program services				
Worship and related programs	5,701,824	-	-	5,701,824
Grants to other organizations	85,075	-	-	85,075
Supporting services				
General administration	391,131	-	-	391,131
Fund raising	10,351	-	-	10,351
<b>Total expenses</b>	<b>6,188,381</b>	<b>-</b>	<b>-</b>	<b>6,188,381</b>
<b>CHANGE IN NET ASSETS (deficit)</b>	<b>1,445,533</b>	<b>(1,777,849)</b>	<b>-</b>	<b>(332,316)</b>
<b>NET ASSETS</b>				
Beginning of year	8,430,048	5,872,291	10,100	14,312,439
<b>End of year</b>	<b>\$ 9,875,581</b>	<b>\$ 4,094,442</b>	<b>\$ 10,100</b>	<b>\$ 13,980,123</b>

See accompanying Notes to Consolidated Financial Statements.

# RIVERBEND CHURCH

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2012 and 2011

	2012	2011
<b>CASH FLOWS PROVIDED BY (USED BY) OPERATING ACTIVITIES</b>		
Change in net assets (decrease)	\$ (1,350,485)	\$ (332,316)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,199,448	1,045,166
Increase (decrease) in swap agreement value	580,944	-
(Increase) decrease in operating assets		
Receivables, including pledges receivable	945,136	1,812,583
Prepaid insurance and expenses	(7,523)	(3,601)
Inventory	22,802	400
Other assets	-	(47,927)
Increase (decrease) in operating liabilities		
Accounts payable	(93,334)	88,455
Payroll taxes payable	(15,587)	(15,436)
Vacation leave accrued	42	4,719
Deposits collected	7,320	3,096
Due to affiliated organizations	911	(10,900)
Other accrued liabilities	4,515	9,920
(Increase) decrease in cash and investments restricted as to use	683,687	(147,275)
Net cash flows provided by (used by) operating activities	1,977,876	2,406,884
<b>CASH FLOWS PROVIDED BY (USED BY) INVESTING ACTIVITIES</b>		
Purchase of investments	(2,682)	-
Purchase of improvements, furniture and equipment	(212,502)	(16,216)
Purchase of construction in progress	-	(5,345,666)
Net cash flows provided by (used by) investing activities	(215,184)	(5,361,882)
<b>CASH FLOWS PROVIDED BY (USED BY) FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(1,855,851)	(9,707,799)
Proceeds from long-term debt	-	12,468,057
Net cash flows provided by (used by) financing activities	(1,855,851)	2,760,258
<b>NET INCREASE (DECREASE) IN CASH</b>	(93,159)	(194,740)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	508,281	703,021
End of year	\$ 415,122	\$ 508,281
<b>Supplemental Information</b>		
Interest paid	1,142,018	506,512
Taxes paid	\$ -	\$ -

See accompanying Notes to Consolidated Financial Statements.

**RIVERBEND CHURCH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2012 and 2011**

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**NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Organization

Riverbend Church, Austin, Texas, was established in July, 1979, to provide and preserve Christian fellowship and to develop and maintain a style and direction of Christian service and ministry. The Church's primary activities are church services, church events, and Christian education. The Church's primary source of revenue is free-will donations from Church members and the community. In 2002, Riverbend Centre, Inc. (the Centre), a wholly-owned, for-profit subsidiary of Riverbend Church, was created to serve as the public interface with parties interested in renting Church facilities for events and programs, such as artistic performances and instructional seminars and exhibits that will further public awareness of the Church and its programs and invite many new people into the Riverbend religious community.

The accompanying consolidated financial statements include the activity of Riverbend Church and Riverbend Centre, Inc., and do not include the activities of Riverbend Christian School and Riverbend Centre for the Arts, which are separate, but affiliated organizations.

Riverbend Church is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code for any income related to its exempt purposes. Riverbend Centre, Inc., is a for-profit, Texas corporation that files annual corporate tax returns and pays Federal and state taxes on any taxable income.

Summary of Significant Accounting Policies

**Accounting Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Basis of Consolidation:** The accompanying consolidated financial statements present the consolidated financial position and changes in net assets of the Church. All significant Church and Centre transactions have been eliminated.

**Basis of Accounting:** The financial statements have been prepared on the accrual basis of accounting, which includes recognition of revenues and support and accounts receivables as funds are earned and expenses and accounts payable as obligations are incurred. Contributions are recognized as support when the donor makes a promise to give that is, in substance, unconditional. Promises to give that cover several years are reported at their present value. Contributions that are restricted by the donor are considered conditional promises to give and are reported as temporarily restricted until such time as the donor imposed restriction is satisfied. Generally, restrictions stipulated by donors determine how the Church may use the funds.

**Adopted Accounting Pronouncements:** The Church has adopted guidance on the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006. In 2007, Texas enacted its version as it adopted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). The guidance also requires enhanced disclosures for all endowment funds.

**Fair Value Measurements:** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Church measures and discloses fair value measurements in accordance with the following general valuation techniques.

1. Market approach (Level 1) - uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
2. Cost approach (Level 2) - based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
3. Income approach (Level 3) - uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.



**RIVERBEND CHURCH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2012 and 2011**

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**NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Eligible financial assets and financial liabilities such as cash, receivables, accounts payable and note payables are valued using an alternative fair value option as management believes the use of the fair value option for eligible items or group of similar eligible items provides more relevant and understandable information for financial statement users because the fair value option reflects the current cash equivalent of the financial instruments rather than another measure. The fair value of such assets and liabilities are deemed to be the face value of the instrument due to either the short term nature of the instrument or to an interest rate that is considered to be a market rate.

Changes in fair value of financial instruments and unrealized gains or losses on financial instruments are reported in the statement of activities. Investment income is reported as an increase or in unrestricted net assets unless a donor or law temporarily or permanently restricts their use.

**Net Assets Classes:** Riverbend Church reports the following net assets classes:

Permanently restricted net assets The part of the net assets of a not-for-profit organization resulting from contributions whose use by the organization is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization are considered permanently restricted net assets.

Temporarily restricted net assets Not-for-profit organizations receive contributions and other resources whose use is limited by stipulations that are more specific than the broad limits resulting from the nature and purpose of the organization and its programs. Resources (net assets) with such stipulations that either expire by passage of time or can be fulfilled by actions of an organization are reported as temporarily restricted net assets.

Unrestricted net assets Resources not included in the above categories are considered unrestricted. While these resources are reported as unrestricted, an organization manages them in compliance with its exempt purposes, governing board designations, legal requirements, and contractual obligations.

**Cash and Cash Equivalents:** For purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

**Investments:** Investments in marketable securities with readily determinable fair values are reported at fair values based upon quoted market prices (Level 1). Market risk could occur and is dependent on the future changes in market prices of the various investments held. Unrealized gains and losses are included in the changes in net assets.

**Receivables:** Receivables are valued using an allowance for uncollectible accounts. The allowance is determined by management's review of balances at year end, an analysis of historical bad debts, a review of the aging of the balances, and an analysis of the individual or entity that owes the amount. At such time as balances are determined to be uncollectible, the amount is written off against the allowance. For trade and other receivables, no allowance was considered necessary for 2012 or 2011. See Note 4 for allowance relating to pledge receivables. The allowance for uncollectible accounts reported in the financial statements is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

**Inventory:** Inventory consists of books, tapes, gift items and clothing for sale in the Church's bookstore and is stated at the lower of cost (determined on a first-in, first-out basis) or market.

**Fixed Assets:** Fixed assets are capitalized if the initial cost of the item is \$1,500 or more. Fixed assets are valued at cost, if purchased, or fair value at date of contribution, if donated. Depreciation is calculated using the straight-line method over the estimated useful life of the item. Estimated useful lives range from three to forty years. Depreciation reported for 2012 and 2011 is \$1,199,448 and \$1,045,166, respectively. Depreciation expense, accumulated depreciation and the useful life used in the computation are considered accounting estimates. The estimates may be adjusted as more current information becomes available and any adjustment could be significant.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Church determined that no such events occurred. The Church uses the direct expensing method to account for planned major maintenance activities.



**RIVERBEND CHURCH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2012 and 2011**

**NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Other Accrued Liabilities:** The responsibility for future expenses related to Riverbend Church's Remembrance Gardens' markers and engravings are estimated and reported as other accrued liabilities. The other accrued liabilities reported in the financial statements are considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

**Derivative Financial Instruments:** The Organization adopted the provisions of FASB ASC 815-25 for utilizing derivative instruments and hedging activities. The standard requires that all derivative instruments, such as interest rate swap contracts and foreign exchange contracts, be recognized in the financial statements and measured at fair value regardless of the purpose or intent in holding them. If the derivative is a hedge, depending on the nature of the hedge, a change in fair value of the derivative will either be offset against the change in the fair value of a hedge asset or liability through earnings. Derivative instruments are used to manage risk related to interest rate movements. An outstanding interest rate swap agreement has been designated and is reported at fair value.

**Reclassifications:** Certain reclassifications have been made to prior year amounts in order to conform to the current year presentation.

**Subsequent Events:** Management has evaluated subsequent events through May 21, 2013 which is the date the financial statements were available for issuance. There are no significant subsequent events requiring disclosure as of that date.

**NOTE 2: RISKS AND CONCENTRATIONS**

Credit risk: Cash balances with a financial institution in excess of Federal Deposit Insurance Corporation insurance coverage are considered an off balance sheet credit risk. Throughout the year, cash balances exceeded the institutions' FDIC coverage. The Church does not require collateral for any of its deposits. The Church considers its funds to be in high quality financial institutions and constantly monitors its financial positions with the institutions and does not anticipate any nonperformance by the institutions. At year end 2012 and 2011, cash balances exceeded the insurance coverage by approximately \$180,427 and \$0, respectively.

**NOTE 3: FAIR VALUE MEASUREMENTS**

Fair value of assets and liabilities measured on a recurring basis at December 31, 2012 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2012</u>				
<b>Assets:</b>				
Domestic equity securities	<u>\$ 2,682</u>	<u>\$ 2,682</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liability:</b>				
Interest rate swap agreement	<u>\$ 580,944</u>	<u>\$ -</u>	<u>\$ 580,944</u>	<u>\$ -</u>

At December 31, 2012, the fair value of assets approximated the donated value, therefore there was no unrealized gain or loss recorded for the year ended December 31, 2012. There were no investments held at December 31, 2011.

**RIVERBEND CHURCH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2012 and 2011**

**NOTE 3: FAIR VALUE MEASUREMENTS - continued**

Changes in liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 2) are as follows:

	2012	2011
Balance - beginning of year	\$ -	\$ -
Total Gains or Losses	(580,944)	-
Balance - end of year	<u>\$ (580,944)</u>	<u>\$ -</u>

**NOTE 4: PLEDGES**

Pledges receivable at year-end are as follows:

	2012	2011
Receivable in less than one year	\$ 2,189,416	\$ 1,480,639
Allowance for uncollectible pledges	(437,883)	(296,128)
<b>Pledges due within one year</b>	<b><u>\$ 1,751,533</u></b>	<b><u>\$ 1,184,511</u></b>
Receivable in one to five years	\$ 81,567	\$ 2,006,483
Allowance for uncollectible pledges	(16,541)	(401,297)
Present value discount	(1,305)	(33,577)
<b>Pledges due in future periods</b>	<b><u>\$ 63,721</u></b>	<b><u>\$ 1,571,609</u></b>

Pledges receivable with due dates extending beyond one year are valued using a present value discount of 2%. Annual amortization of the present value discount is reported as temporarily restricted contributions in the statement of activities. During 2012 and 2011, \$25,460 and \$-0-, respectively, in pledges receivables were written off. At December 31, 2012 and 2011, no pledges were considered past due. The allowance for uncollectible pledges is considered a significant accounting estimate. The present value discount is considered an accounting estimate. The estimates may be adjusted as more current information becomes available and any adjustment could be significant.

In September, 2010 the Church approved a proposal for a Capital Campaign to build a Student & Children's Center and to renovate select portions of some existing buildings and grounds. The building project was approved with a total budget of \$5.5 million. The Church collected pledges of \$7,511,351 to be used for the project. Campaign pledges reported in the statement of activities are as follows:

	2012	2011
Campaign contributions received in current year	\$ 249,812	\$ 2,259,890
Campaign receivables due in less than one year	253,080	1,480,639
Campaign receivable in one to five years	-	2,006,483
<b>Total campaign contributions</b>	<b><u>\$ 502,892</u></b>	<b><u>\$ 5,747,012</u></b>

The pledges receivable are collateral against the Church's construction loan which was obtained in early 2011.

**NOTE 5: LIFE INSURANCE POLICY**

The Church is the beneficiary of a \$2,000,000 insurance policy on the life of a former pastor. The policy calls for monthly premium payments by the Church. The asset has not been recorded on the financial statements as the fair market value of the policy is not readily available. The life insurance policy was pledged against a note - see Note 9: Long-Term Debt and Note 10: Related Party Transactions.



**RIVERBEND CHURCH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2012 and 2011**

**NOTE 6: INVENTORY**

During 2012, the Church determined the carrying amounts for certain inventory products were above current market value, and reduced the amounts by approximately \$22,000. Management believes that this reduces inventory to its lower of cost or market. While it is at least reasonably possible that the estimate will change materially in the near term, no estimate can be made of the range of additional loss that is at least reasonably possible.

**NOTE 7: PENSION PLAN**

Riverbend Church sponsors a defined contribution pension plan and during 2012 and 2011 paid \$97,518 and \$134,544, respectively, into annuities for staff (6% of salaries) and pastors (8% of salaries). The annuities are fully vested and owned by the individuals. The Church has no outstanding liabilities related to the pension plan.

**NOTE 8: INCOME TAXES**

The Church and the Centre believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements. The Church and Centre believe they are no longer subject to examination by the IRS for years prior to 2009.

The Centre recorded income tax expense of \$551 for the year ended December 31, 2012, which is included in the general administration expense. Additionally, income taxes payable of \$551 is included in accounts payable at December 31, 2012. The Centre reported no taxable income for the year ended December 31, 2011.

**NOTE 9: LONG-TERM DEBT**

Long-term debt reported in the financial statements consists of the following.

	<u>2012</u>	<u>2011</u>
Note payable to a bank dated February 25, 2011, original amount of \$8,100,000, interest accrues at a rate equivalent to LIBOR plus 2.5% and is recalculated quarterly (effective rate of 5.33% with swap agreement - Note 12), the note has a maturity date in March 2021, collateral is a deed of trust on real estate with a book value of \$15,907,591.	\$ 7,820,954	\$ 7,983,979
Note payable to a bank dated February 25, 2011, original Amount up to \$5,250,000, interest accrues at a rate equivalent to Prime Rate plus 0.5%, with interest-only payments due until the maturity date in March, 2014, collateral is construction in progress of \$5,826,992 and amounts collected or pledged to the current capital campaign of \$2,756,120.	2,775,231	4,368,057
Note payable to a related party dated October 5, 2008, note is non-interest bearing, originally due in full by September 30, 2010; extended until September 30, 2012, secured by the pledge of a life insurance policy - see note 4.	-	100,000
Total long-term debt	10,596,185	12,452,036
Less current portion of long-term debt	(173,283)	(163,025)
Long-term debt, net of current portion	<u>\$ 10,422,902</u>	<u>\$ 12,289,011</u>

**RIVERBEND CHURCH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2012 and 2011**

**NOTE 9: LONG-TERM DEBT - continued**

Estimated annual maturity due on the long-term debt is the following: 2013- \$173,283; 2014- \$4,550,940; 2015- \$193,015; 2016- \$202,591; 2017- \$214,931 and thereafter \$5,261,425.

Interest costs incurred and charged to expense during 2012 and 2011 was \$1,068,357 and \$434,712, respectively. Interest costs incurred and capitalized during 2012 and 2011 was \$73,661 and \$71,800, respectively.

**NOTE 10: INTEREST RATE SWAP AGREEMENT**

In 2011, the Church entered into a master agreement with a financial institution for an interest rate swap transaction to reduce the impact of changes in interest rates on its variable long-term debt of \$8,100,000, dated February 25, 2011. This agreement effectively changed the interest rate exposure on the variable rate loan to a fixed rate of 5.33%. The interest rate swap matures February 2016. The Church is exposed to credit loss in the event of nonperformance by the counterparty. The fair value of the swap agreement is recorded on the accompanying statement of financial position as a liability and totaled \$580,944 and \$0 as of December 31, 2012 and 2011, respectively. For the years ended December 31, 2012 and 2011, \$580,944 and \$0, respectively, was recorded as part of interest expense in the statement of activities related to the change in the swap agreement's fair value.

**NOTE 11: RELATED PARTY TRANSACTIONS**

The Church provides space and services to its subsidiaries. During 2012 and 2011, transactions between the Church and the Centre for management fees, accounting fees, office space rental and building rental amounted to \$24,497 and \$24,306 respectively. These transactions and any amounts due to or from are eliminated in the consolidated financial statements.

The Church also provides facility and support services for the Riverbend Christian School and Riverbend Centre for the Arts. During 2012 and 2012, the Church received fees of \$21,268 and \$15,548, respectively, from the Centre for the Arts, and \$77,000 and \$65,000, respectively, from the School.

The Church had an agreement with a financial corporation whose president is a member of the Church. The agreement allowed the Church to borrow \$100,000 - see note 9 for the terms of the note and the collateral of the note.

The Church has a contract for building design services with an individual who is a member of the Church. During 2012 and 2011, the Church paid this related party \$0 and \$43,952 respectively.

**NOTE 12: TEMPORARILY RESTRICTED NET ASSETS**

During 2012 and 2011, net assets of \$2,145,389 and \$2,488,278, respectively were released from accompanying stipulations due to the Church's action and are considered net assets released from donor imposed restrictions and are reported as transfers from temporarily restricted net assets to unrestricted net assets in the financial statements.

At year-end, Riverbend Church had the following temporarily restricted net assets.

<u>Funding Source</u>	<u>2012</u>	<u>2011</u>	<u>Nature of Imposed Restrictions</u>
Contributions	\$ 2,438,223	\$ 3,976,349	Pledges and cash for building project
Contributions	128,377	116,892	Restricted for specific Church programs
Endowment income	1,154	1,201	Restricted to endowment until appropriated for expenditure
<b>Total</b>	<b>\$ 2,567,754</b>	<b>\$ 4,094,442</b>	



**RIVERBEND CHURCH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2012 and 2011**

**NOTE 13: RESTRICTED CASH**

Riverbend Church tracks the cash received for temporarily restricted and permanently restricted purposes and reports these amounts as cash and investments restricted as to use. At year end, Riverbend Church had the following temporarily and permanently restricted cash and investments restricted as to use.

2012	2011	Nature of Imposed Restrictions
\$ 605,570	\$ 1,310,695	Restricted for building project
128,377	116,892	Restricted for specific Church programs
1,154	1,201	Restricted to endowment until appropriated for expenditure
20,100	10,100	Permanently restricted endowment funds
<u>\$ 755,201</u>	<u>\$ 1,438,888</u>	

**NOTE 14: PERMANENTLY RESTRICTED NET ASSETS**

In 2003, the Church was the recipient of a \$9,500 bequest that established a permanent endowment fund. The endowment fund constitutes a separate and permanent fund held as an existing component part of the Church in its regular corporate capacity and not as a separate trust. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Church has not sought a legal interpretation as to whether TUPMIFA requires the preservation of fair value or the maintenance of purchasing power of donor-restricted endowment funds. The Church operates the endowment to preserve the fair value of the bequest. Other policies related to donor-restricted endowment funds are the following.

The Church classifies as permanently restricted net assets the original fair value of gifts donated to the endowment fund. Any increase in the endowment fund, such as investment income or appreciation, is classified in temporarily restricted net assets until those amounts are appropriated for expenditure. The Church considers the following factors in making a determination to appropriate or accumulate increases in their endowment fund.

- Duration and preservation of the fund
- Purposes of the Church and the donor-restricted endowment fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the Church
- Investment policies and strategies of the Church

The Church's investment strategy is to emphasize a return of current income with minimal risk to the fair value of the original gift.

From time to time the fair value of assets, or the purchasing power associated with donor-restricted endowment funds may fall below the level that the donor or the TUPMIFA requires an organization maintain in a fund of perpetual duration. The Church believes that no deficiencies exist with the donor-restricted endowment fund.

During 2012, the Church had the following donor-restricted endowment fund activities.

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment Funds			
Beginning of year	\$ -	\$ 1,201	\$ 10,100
Contributions	-	-	10,000
Net appreciation	-	-	-
Investment income	-	-	-
Appropriated	-	-	-
Expenditures	-	(47)	-
End of year	<u>\$ -</u>	<u>\$ 1,154</u>	<u>\$ 20,100</u>

**RIVERBEND CHURCH**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2012 and 2011**

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**NOTE 14: PERMANENTLY RESTRICTED NET ASSETS- continued**

During 2011, the Church had the following donor-restricted endowment fund activities.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment Funds			
Beginning of year	\$ -	\$ 1,195	\$ 10,100
Contributions	-	-	-
Net appreciation	-	-	-
Investment income	-	6	-
Appropriated	-	-	-
Expenditures	-	-	-
End of year	<u>\$ -</u>	<u>\$ 1,201</u>	<u>\$ 10,100</u>

**EXHIBIT D**

013

**AFFIDAVIT OF PASTOR KEVIN HEDGES**

STATE OF TEXAS

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§  
§

COUNTY OF TRAVIS

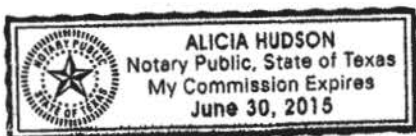
Before me, the undersigned authority, on this date personally appeared KEVIN HEDGES, Pastor of Creative Arts at Riverbend Church, who, after being duly sworn, deposed on his oath stated:


1. I am the Pastor of Creative Arts, a non-profit organization in Austin, Texas. I am an adult over eighteen years of age, I am of sound mind and am in all respects qualified to make this Affidavit. I have personal knowledge of the facts stated herein, and such facts are true and correct.
2. Riverbend Church's Television Ministry is a local telecast produced by Riverbend Church. It airs every Sunday morning at 9:30 AM in the Austin, Texas television market on KTBC Fox 7. The thirty minute program is an edited version of the previous Sunday's sermon containing only topics pertaining to religion and social commentary. Since the program is timely, adheres to the church schedule, and is not replicated, there is no repeat value.
3. Riverbend's video programing distributor, KTBC Fox 7, charges \$1338.75 per thirty minute episode, and has not raised the price in several years despite market demand. Even so, representatives of Riverbend Church have continued to seek the assistance of KTBC FOX 7 to supplement costs of captioning. Unfortunately, FOX 7 is unable to provide closed captioning services at a free or reduced rate.
4. I have reviewed the Petition for Exemption for Closed Captioning Requirements previously filed on behalf of Riverbend Church, and the supplemental information submitted herein per the request of the Federal Communications Commission, and upon information and belief, believe the statements regarding our organization and the Television Ministry to be true and accurate.

"FURTHER AFFIANT SAYETH NOT."

  
\_\_\_\_\_  
KEVIN HEDGES

Sworn to and subscribed before me on this the 25 day of November, 2013.



  
\_\_\_\_\_  
Notary Public for the State of Texas